Roll No.												

PRESIDENCY UNIVERSITY

BENGALURU

Mid - Term Examinations – November 2025

Date: 14-11-2025 **Time:** 02:30Pm – 04:00Pm

School: SOM-PG	**Program:** MBA	
Course Code: MBA3005	**Course Name:** Investment Management	
Semester: III	**Max Marks**:50	**Weightage**:25%

CO – Levels	**CO1**	**CO2**	**CO3**	**CO4**	**CO5**
Marks	**19**	**31**			

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part- A

Answer ALL the Questions. Each question carries 3marks. 5Q x3M=15Marks

1	Differentiate between Investment and Speculation.	**3 Marks**	**L2**	**CO1**
2	List out any three constraints of investment and also provide proper explanation for each constraint.	**3 Marks**	**L2**	**CO1**
3	Explain the following concepts: i. Systematic Risk ii. Unsystematic Risk	**3 Marks**	**L2**	**CO1**
4	Consider a stock with the following returns over a period of 5 years. Calculate the historical risk and return from the following information. **Year** **1** **2** **3** **4** **5** **Return (in%)** **15** **12** **20** **-11** **15**	**3 Marks**	**L**	**CO2**
5	An investor is thinking about investing in a portfolio. The portfolio contains three stocks, X, Y and Z. The investor is willing to invest 45% in	**3 Marks**	**L4**	**CO2**

Stock X, 35% in Stock Y and 20% in Stock Z. Calculate the Expected Return of the portfolio from the following information.

State of Economy	Probability	Returns of X	Returns of Y	Returns of Z
Boom	0.40	11	15	10
Normal	0.60	8	-4	-5

Part- B

Answer the Questions **2Qx10M = 20 Marks**

6.	Discuss the role of Fintech in Investment Management.	**10 Marks**	**L3**	**CO1**
	Or			
7.	Discuss the various factors that influence investment decisions.	**10 Marks**	**L3**	**CO1**

8.	Consider a stock A with the following Possible returns over a period of 5 years. Calculate the Expected Risk and Return from the following information.	**10 Marks**	**L4**	**CO2**

Year	1	2	3	4	5
Return (in%)	25	15	30	-30	25
Probability	0.15	0.15	0.20	0.20	0.30

	Or			
9.	A stock costing Rs. 115 pays no Dividends. The possible prices that the stock might sell for at the end of the year, with their respective probabilities as follows: Calculate the Expected Return and the Standard Deviation of returns.	**10 Marks**	**L4**	**CO2**

Possible prices	Probability
110	0.15
115	0.15
120	0.2
125	0.2
130	0.3

Part- C

Answer the following question (1Qx15M=15Marks)

<table>
<tr>
<td>10.</td>
<td>Mr. Jack is thinking about investing in a Portfolio XYZ. The Portfolio Contains 3 Stocks, namely, A, B, and C. Find the expected return and the variance of the portfolio below. Mr. Jack has invested 50% in Stock A, and 25% in Stock B and C each.
<table>
<tr><th>State of economy</th><th>Probability</th><th>R1</th><th>R2</th><th>R3</th></tr>
<tr><td>Boom</td><td>0.5</td><td>12</td><td>18</td><td>20</td></tr>
<tr><td>Bust</td><td>0.5</td><td>10</td><td>9</td><td>4</td></tr>
</table>
</td>
<td>15 Marks</td>
<td>L4</td>
<td>CO2</td>
</tr>
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